DR. NAGEN SAIKIA: The hon. Minister has stated very clearly in his reply why Assam and Jammu and Kashmir have been left out from the list that he has given. Part (a) of my question is whether any amount has been released to Assam during the 1991-92 financial year; if so, what was the amount that has been released? Part (b) of my question is on what basis the amount released or to be released is calculated.

SHRI SHANTARAM POTDUKHE: Sir, Jammu and Kashmir is a special category State. Similarly, Assam is also a special category State. The Ninth Finance Commission has recommended devolution of Rs. 3956.30 crores to Assam during 1990-91 to 1994-95. Similarly, the State of Jammu and Kashmir has got Rs. 3358.74 crores for the same period. The State of Assam has been given Central assistance of Rs. 632.62 crores in 1990-91 and their Plan outlay is Rs. 675 crores. In 1991-92 the Central Assistance given is Rs. 754.77 crores and the Plan outlay of Assam is Rs. 805 crores.

श्री भंवर लाल पंवार: सभापति महोदय, यह आठ राज्यों को जो विशेष दर्जे के आधार पर सहायता दी गयी है, यह पहाड़ी क्षेत्र होने के कारण है। लेकिन राष्ट्रीय विकास परिषद में पहाड़ी क्षेत्रों के साथ-साथ रेगिस्तानी वाले प्रांतों को भी विशेष दर्जे में लिये जाने के लिये प्रावधान है। मैं माननीय मंत्री महोदय से जानना चाहता हूं कि क्या मंत्री महोदय राजस्थान का जो थार डेजर्ट भाग है, उसको भी विशेष श्रेणी के आधार पर विशेष केन्द्रीय सहायता देने के लिये अपना मानस बनायेंगे ?

SHRI SHANTARAM POTDUKHE: We are processing the proposals. Let the Planning Commission given due consideration to it, the Finance Ministry would look into it.

श्री अनन्त राय देवशंकर दवे: आपने क्या सजैशन दिया प्लानिंग कमीशन को ? गवर्नमेन्ट क्या सजेस्ट करती है ?

श्री शान्ताराम पोटदुखे : गवर्नमेंट सम्पेथैटिक है।

SHRI YASHWANT SINHA: Sir, the Minister has just now mentioned that he expects these special category States to wipe out their non-Plan deficits. Now we are aware that many of these special category States unfortunately are also special problem States where there are serious law and order problems. The amount of money which these States are required to spend on maintenance of law and order is an enoromous burden on the resources of these States. In the light of this, what I would like to know from the Minister is whether they will give special consideration to the States which have a special law and order problem and find a formula which will enable them to take up seriously the work of development which has come almost to a standstill in many of these States.

SHRI SHANTARAM POTDUKHE: Sir, some of the States do have law and order problems. But I hope that this problem would be over soon with all the efforts being put in by the Government.

As I said earlier, the Government is giving due consideration to all special category States by giving them Central assistance and extra Central assistance also.

Production target of FCV Tobacco

*164. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) what is the target fixed by Tobacco Board in regard to the production of FCV tobacco for the next 3 years;

(b) what is the carry over stock;

(c) whether it is a act that for want of stock new export orders could not be signed; and

(d) if so, what are the details in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) The Tobacco Board has tentatively fixed a production target of 155 million Kgs. (M. Kgs.) during 1992-93, 160 M. Kgs. during 1993-94 and 165 M-Kgs. during 1994-93.

(b) According to information available with the Tobacco Board, there is no carry over stock.

(c) and (d) Export contracts are finalised on the basis of carry over stock as well as fresh crop arrivals. During April-November, 1991, 42,232 Tonnes of FCV tobacco valued at Rs. 219.40 crores have been exported as against 33,774 M. Kgs. valued at Rs. 107.74 crores exported during the corresponding period last year.

DR. YELAMANCHILI SIVAJI: Sir, as per the figures given by the hon. Minister, there is no concrete thinking on the part of the Government in regard to the export of tobacco as well as the internal consumption compared to last year, the production has been enhanced at least by more than 50 per cent, as per the official figures, which is not commensurate with the export potential or with the internal consumption. Sir, recently, during the first part of November when auctions took place in Karnataka, a lot of problems have arisen and thereby the tobacco growers, for want of remunerative prices, have beaten the auction staff as well as the traders. It indicates that the prices are so low when compared to the last year. It is a result of the Tobacco Board enhancing the production without a commensurate increase in the export potential as well as the internal consumption. As per the figures supplied by the hon. Minister, the exports have enhanced from 33,777 million kgs. to 32,000 million kgs. It means that the export has enhanced only by 9,000 tonnes. When the exports were improved by 9,000 tonnes, what is the rationale of the Tobacco Board or the Government of India to enhance the production by 60,000 tonnes? I would like to know this from the hon. Minister.

SHRI SALMAN KHURSHEED: Sir, from year to year, there are temporary problems that arise at the auction platforms. The problems arise not because of any major miscalculation that takes place in the production targets but the problems arise because of high expectations that are sometimes created at the time of the auction. Sir, as you know, the auction system requires that there would invariably be some fluctuation in the price from day to day and also from lot to lot. Sometimes, one lot of a particular day, has gone on a better price. Then another lot on the second day has gone on a different price. There tends to be a little tension amongst the traders and the growers. But they haven't brought to our notice any major problem that is out of the ordinary which might have taken place this year.

DR. YELAMANCHILI SIVAJI: Sir, my second part has not been answered. What was the rationale of the Government when the exports were enhanced only by 9,000 tonnes? What warranted the Tobacco Board Board to enhance production by 60,000 tonnes?

SHRI SALMAN KHURSHEED: Sir, the target, as the hon. Member is aware, is fixed in negotiations that take place before the production year among the growers, the Tobacco Board and the major manufacturers of cigarettes in the country. This is a decision that is taken by consensus. We have no special interest increasing the production in order to reduce the prices below a reasonable price that the growers expect. We have a major responsibility in ensuring that growers get a reasonable price. There is some fluctuation in the price that is expected to be given to the growers of tobacco because of the very nature of the tabacoo trade. Sir, unfortunately it is a fact of life that while we make all efforts to increase tobacco consumption and tobacco export, our colleagues in the other Ministries are constantly pressing us to ensure that we do nothing to improve on production and exports because there is a very rasonably held belief that tobacco is harmful to health. Therefore, Sir, there is this cons-

tant tension between wanting to sell more and not wanting to sell more.

MR. CHAIRMAN: Are they opposing your increasing concumption here or export also?

SHRI SALMAN KHURSHEED: Sir, as far as they are concerned, they do not want tobacco to grow as an item that people consume either here or in rest of the world. (*Interruptions*).

MR. CHAIRMAN: Here, they may tell you that they don't want to make more people consume.. (*Interruptions*).

SHRI SALMAN KHURSHEED: Sir, we never follow the policy of exporting something that we think is bad for our own people, to other countries.

MR. CHAIRMAN: If they like, that is good.

DR. YELAMANCHILI SIVAJI: Sir, the hon. Minister is giving self-contradictory statements. On the hand he says, "Our colleagues in the Cabinet are opposing us to enhance the production." and on the other hand he says, "We are going ahead to enhance the production by 60,000 tonnes." What is the rationale behind this? Sir, you are well aware—you have been the Rajyapal of Andhra Pradesh and you know it better—of the plight of the tobacco growers both in Guntur and Prakasam districts. There are 40,000 tobacco barons in the State. The eligibility limit to produce for each baron is 25 quintals whereas this year it has been enhanced to 32 quintals for each baron and another 5,000 new barons were licenced recently. Thereby the production went up by 44,000 tonnes. In addition to that, there is under-hand dealing outside the tobacco auction platforms. Therefore, the total production is going up by 60,000 tonnes this year.

Sir, the second point I want to bring to your notice is this. There is no quality control. During 1981 we exported something like 28,000 metric tons to China. Some problems took place. There was some *halla gulla*. The Quality Control Department failed totally. Therefore, the Chinese went back from the Indian market and they entered the Brazilian Zimbabwean and other markets. I would like to know what steps the Government would like to take to restore our trade with China ? Are they contemplating any negotiations with Chinese Embassy do restore our trade with China and other countries? The second part is this. The hon. Minister says that the export and other thing will be fized up depending upon the production and carry-over stock. This is not correct. This is just like putting the cart, before the horse. Fifst of all, you fix up your export potential, you fix up you internal consumption, then only you can ask the tobacco producers to produce more. There is no point in saying that after the auctions are completed, we will think over the matter and increase the export potential. It is deleterious to the interests of the growers and it works for the interests of the traders. I would like to know what steps the Government proposes to take so that the enhanced rate of price and other things could percolate to the growers with the depreciation of the rupee.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): Mr. Chairman, I don't think the hon. Member should read more into my colleague's statement that on the one hand there is a desire to grow more tobacco and sell more tobacco and on the other hand there is a movement to curb the use of tobacco. He must take it in the spirit in which it was said. Sir, we have a good plan to manufacture and export tobacco. We have fixed for this year 130 million kilograms in Andhra Pradesh and 20 million kilograms in Karnataka. The Karnataka crop is expected to be much higher than 20 million kilograms. Beginning the Eighth Five Year Plan, or 1992-93 it is 155 million kilograms and every year we want to enhance the production by 5 million kilograms. Out of this approximately 80 million kilograms a year are expected to be the domestic demand for domestic consumption, leaving every

year a surplus approximately 75,000, 80,000, 85,000 tonnes of tobacco to be exported.. *(Interruption)*..

DR. YELAMANCHILI SIVAJI: Your figures are not correct.

SHRI P. CHIDAMBARAM: Sir, let me give the figures to my friend. For example, tht export of unmanufactured tobacco—I have got the figures, I will give the figures for the last three years in 1989-90 was 58,183 tonnes and that of tobacco products was 15,512 tonnes. Total export was 73,695 tonnes; in 1990-91 unmanufactured tobacco 70,375 tonnes, tobacco products 13,299 tonnes and total export 83,674 tonnes, in 1991-92.. *(Interruption)*..

DR. YELAMANCHILI SIVAJI: I am talking about the FCV tobacco and your figures are clubbed together in one basket.

SHRI P. CHIDAMBARAM: I am coming to that.

Sir, in 1991-92 export of unmanufactured tobacco is 57077 tonnes, tobacco products 6855 tonnes. The total export from April to October is 63932 tonnes. Sir, the hon. Member is not right that it is not fetching a good price. Kindly look at the Andhra Pradesh prices. The unit value in 1989 was Rs. 16.59 per kilogram; in 1990 it dipped to Rs. 14.69 per kilogram and in 1991 it has Rs. 33 per kilogram. In Karnataka the unit value in 1988 was Rs. 21.61, in 1989 it dipped to Rs. 19.53 and in 1990 it was Rs. 26.44 per kilogram.

DR. YELAMANCHILI SIVAJI: You want to go back to 1989-90.

SHRI P. CHIDAMBARAM: Sir, we have a good plan to increase the production of tobacco. We have a good export plan and my information from auction platforms in Karnataka indicates this year Karnataka prices are averaging Rs. 41 per kilogram, and Andhra Pradesh crop is just coming to the auction platform.

MR. CHAIRMAN: He is asking about the quality control. It is because of lack of quality control that the foreigners are running away. He mentioned especially the case of China.

SHRI P. CHIDAMBARAM: Sir, in recent years the only complaint we got was that in a consignment of tobacco to China, there was some problem about quality. We have not received any complaint about quality, to the best of my knowledge, from any other country. China, of course, took a very stiff stand and, therefore, our exports to China fell in 1989-90 only to 100 tonnes, but last year it went up to 640 tonnes.

DR. YELAMANCHILI SIVAJI: During 1981-82 it was 28,000 tonnes.

SHRI P. CHIDAMBARAM: Will the hon. Member permit me to complete my answer?

MR. CHAIRMAN: You said 600 tonnes or something. He says 28,000 tonnes.

DR. YELAMANCHILI SIVAJI: It was 28,000 tonnes in 1981-82. The Chinese went back due to the failure of quality control measures and they are purchasing tobacco from other countries at present. So, I would like to request the hon. Minister to negotiate with the Chinese Embassy.

SHRI P. CHIDAMBARAM: You must allow me to complete my answer.

MR. CHAIRMAN: Let him complete his answer.

SHRI P. CHIDAMBARAM: In 1989-90 it was 100 tonnes; in 1990-91 it went to 640 tonnes. The Tobacco Board is in touch with China. We hope to export more to China next year and our negotiations will bear fruit.

श्री संघ प्रिया गौतम : मान्यवर सभापति महोदय, यह कैसी विडम्बना है कि सिग्रेट के हर पैकेट पर यह लिखा हुआ है कि "सिग्रेट पीना स्वास्थ्य के लिये हानिकारक है", लेकिन फिर भी लाखों-करोड़ों लोग

तम्बाकू के सेवन से कैंसर से पीड़ित होकर मर रहे हैं ।

मंत्री महोदय आपने कहा कि हमारे पास कुछ प्लान हैं तम्बाकू का प्रोडक्शन बढ़ाने के लिए, अगर आप तम्बाकू का प्रोडक्शन बढ़ा रहे हैं, तो केवल इसका अर्थ यही नहीं है कि आप निर्यात ही करेंगे, बल्कि जो चीज पैदा होती है उसका उपयोग और उपभोग अपने राष्ट्र में भी होता है । इसलिए तम्बाकू को भी लोग पिएंगे और खाएंगे तो क्या आप सिग्रेट पैकेट पर जो लिखा है कि "सिगरेट पीना स्वास्थ्य के लिए हानिकारक है"--इसको समाप्त करवाने जा रहे हैं ? या लोगों को कैंसर से बचाने के लिए आप तम्बाकू का प्रोडक्शन फिर से प्रतिबंधित करने जा रहे हैं ? इसका विकल्प जो धन आपको निर्यात से मिलेगा, कोई और आपके पास है कि नहीं ? तो आप हमसे पूछिये, हम बतायेंगे ।

श्री सभापति : यह कह रहे हैं कि इन मामलों में हमारी राय ले लिया कीजिए ।

SHRI P. CHIDAMBARAM: Mr. Chairman, Sir, tobacco smoking is indeed injurious to health. But there are millions of people who do not pay heed to that warning. As long as these millions are there we will continue to export tobacco.

MR. CHAIRMAN: That is correct.

SHRI DINESHBHAI TRIVEDI: Does it mean that we will go on production drugs also?

SHRI VITHALBHAI M. PATEL: Sir, in fact, Virginia Tobacco is getting the best price. Last year they got Rs. 42 per kilogram. Before the production is settled, the Board is negotiating with the exporters and cigarette manufacturers and decides how much production is required to be designed and then the final decision is taken. There is no question of surplus production and on the contrary farmers are getting a better price. I would like to know from the hon. Minister whether it is correct that they got Rs. 42 per kilogram.

SHRI SALMAN KHURSHEED: Sir, according to the information that we have regarding the crossing of the 40 mark, it is for this year. Last year we got 33.

These matters are first discussed and we arrive at a decision after obtaining to consensus as regards the production target. Hence there is no problem when the auction takes place.

DR. NARREDDY THULASI REDDY: Sir, the Minister has said that the consumption of tobacco in the world market is declining due to anti smoking campanies supported by voluntary groups and agencies like the World Health Organisation. Hence research efforts are needed to identify new uses of tobacco. Is the Government making any efforts in this direction?

SHRI SALMAN KHURSHEED: Sir, some research is going on over the medicinal use of tobacco. Some fundamental research is also going on for producing tobacco with a low nicotin content. The major problem of tobacco is nicotin and we hope that we will have some success in this area of production tobacco which has a low nicotin content.

MR. CHAIRMAN: Question No. 165.

Implementation of Sinha Committee Report

*165. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received the Sinha Committee Report on cadre review of the Income Tax Department;

(b) if so, what are its main recommendations; and

(c) what steps have been taken by Government to implement the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The main recommendations made in report relate to creation of certain number of additional posts in different grades in Groups 'B', 'C' & 'D' in the Income Tax Department.